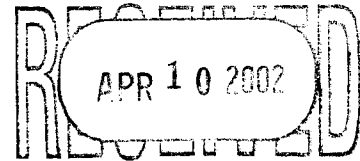
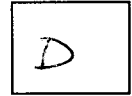


4-12-02 assessment db updated cm

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY



E-01703A
DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.
P. O. BOX 440
DUNCAN AZ 85534-0000

ANNUAL REPORT

FOR YEAR ENDING

| | | |
|----|----|------|
| 12 | 31 | 2001 |
|----|----|------|

*Entered
4-12-02
cm*

FOR COMMISSION USE

| | |
|--------|----|
| ANN 01 | 01 |
|--------|----|

COMPANY INFORMATION

Company Name (Business Name) DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.

Mailing Address P.O. BOX 440

DUNCAN

(Street)

AZ

(State)

85534

(Zip)

(City)

928-359-2503

928-359-2370

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address SAME AS ABOVE

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: JACK SHILLING CEO

(Name)

(Title)

P.O. BOX 440

DUNCAN

AZ

85534

(Street)

(City)

(State)

(Zip)

928-359-2503

928-359-2370

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address jackshilling@dvec.org

On Site Manager: SAME AS ABOVE

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: GALLAGHER & KENNEDY (MIKE GRANT)

(Name)

PO BOX 61504

(Street)

PHOENIX

(City)

AZ

(State)

85548

(Zip)

602-530-8291

Telephone No. (Include Area Code)

602-257-9459

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: SAME AS ABOVE

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☐ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☒ **Association/Co op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☐ **Other (Describe)** _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☐ **COCHISE**

☐ **COCONINO**

☐ **GILA**

☐ **GRAHAM**

☒ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☐ **PIMA**

☐ **PINAL**

☐ **SANTA CRUZ**

☐ **YAVAPAI**

☐ **YUMA**

☐ **STATEWIDE**

SERVICES AUTHORIZED TO PROVIDE

Check the following box/s for the services that you are authorized to provide:

☐ **Electric**

- ☐ Investor Owned Electric
- ☐ Rural Electric Cooperative
- ☒ Utility Distribution Company
- ☐ Electric Service Provider
 - ☐ Transmission Service Provider
 - ☐ Meter Service Provider
 - ☐ Meter Reading Service Provider
 - ☐ Billing and Collection
 - ☐ Ancillary Services
 - ☐ Generation Provider
 - ☐ Aggregator/Broker

☐ **Telecommunications**

- ☐ Incumbent Local Exchange Carrier
- ☐ Interexchange Carrier
- ☐ Competitive Local Exchange Carrier
- ☐ Reseller
- ☐ Alternative Operator Service Provider

☐ **Gas**

- ☐ Natural Gas
- ☐ Propane

☐ **Other** (Specify) _____

STATISTICAL INFORMATION

TELECOMMUNICATION UTILITIES ONLY

| | |
|---|----------|
| Total residential access lines | _____ |
| Total business access lines | _____ |
| Total revenue from Arizona operations | \$ _____ |
| Total income from Arizona operations | \$ _____ |
| Value of assets used to serve Arizona customers | \$ _____ |
| Accumulated depreciation associated with those assets | \$ _____ |

STATISTICAL INFORMATION (CONT'D)

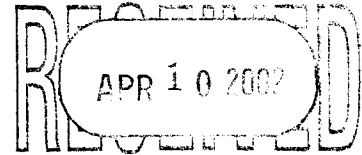
ELECTRIC UTILITY PROVIDERS ONLY

| | | |
|------------------------------------|------------|-----|
| Total number of customers | 2,457 | |
| Residential | 2,138 | |
| Commercial | 243 | |
| Industrial | | |
| Public street and highway lighting | 2 | |
| Irrigation | 74 | |
| Resale | | |
| Total kilowatt-hours sold | 22,434,150 | kWh |
| Residential | 14,819,662 | |
| Commercial | 5,459,295 | |
| Industrial | | |
| Public street and highway lighting | 113,160 | |
| Irrigation | 2,042,033 | |
| Resale | | |
| Maximum Peak Load | 5,160 | MW |

GAS UTILITIES ONLY

| | | |
|---------------------------|--|--------|
| Total number of customers | | |
| Residential | | |
| Commercial | | |
| Industrial | | |
| Irrigation | | |
| Resale | | |
| Total therms sold | | therms |
| Residential | | |
| Commercial | | |
| Industrial | | |
| Irrigation | | |
| Resale | | |

VERIFICATION AND SWORN STATEMENT **Intrastate Revenues Only**

**VERIFICATION**STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | |
|---|-----------------------|
| COUNTY OF (COUNTY NAME) GREENLEE | Director of Utilities |
| NAME (OWNER OR OFFICIAL) TITLE JACK SHILLING CEO | |
| COMPANY NAME DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. | |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2001 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 1,669,645.17

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 105,864.01

IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Jack Shilling
SIGNATURE OF OWNER OR OFFICIAL
928-354-2503
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

| | |
|--------------------------------|---------------------|
| COUNTY NAME <u>Greenlee</u> | |
| MONTH <u>April</u> | YEAR <u>2002</u> |

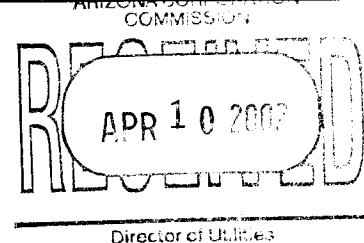
THIS OFFICIAL SEAL
SHERMA JEANLE GARNER
Notary Public - State of Arizona
GREENLEE COUNTY
MY COMMISSION EXPIRES November 24, 2003

DAY OF

SIGNATURE OF NOTARY PUBLIC

Sherma Jeanle Garner

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | |
|--|--------------|
| (COUNTY NAME) GREENLEE | |
| NAME (OWNER OR OFFICIAL) JACK SHILLING | TITLE CEO |
| COMPANY NAME DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. | |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2001 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

| |
|--|
| ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 1,155,123.55 |
|--|

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 72,181.31
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X Jack Shilling
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

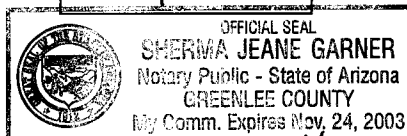
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

4th

DAY OF

(SEAL)



MY COMMISSION EXPIRES November 24, 2003

| | |
|---|------|
| NOTARY PUBLIC NAME Sherma Jeane Garner | |
| COUNTY NAME Greenlee | |
| MONTH April | 2002 |

X Sherma Jeane Garner
SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2001) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

BORROWER DESIGNATION

AZ0023

PERIOD ENDED

12/2001

FINANCIAL AND STATISTICAL REPORT

BORROWER NAME AND ADDRESS

DUNCAN VALLEY ELEC COOP INC

PO Box 440

Duncan, AZ 85534-0440

INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects

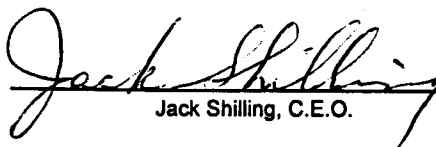
☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.



Steven Lunt, Administrative Manager

03/05/2002

DATE



Jack Shilling, C.E.O.

03/05/2002

DATE

USDA-RUS
FINANCIAL AND STATISTICAL REPORT

BORROWER DESIGNATION

AZ0023

PERIOD ENDED

12/2001

INSTRUCTIONS-See RUS Bulletin 1717B-2

Part B. Data on Transmission and Distribution Plant

| ITEM | Year-to-date Last Year (a) | Year-to-date This Year (b) | ITEM | Year-to-date Last Year (a) | Year-to-date This Year (b) |
|-------------------------------------|----------------------------------|----------------------------------|--------------------------------------|----------------------------------|----------------------------------|
| 1. New Services Connected | 63 | 65 | 5. Miles Transmission | 0.00 | 0.00 |
| 2. Services Retired | 20 | 24 | 6. Miles Distribution - Overhead | 434.00 | 429.00 |
| 3. Total Services in Place | 2,819 | 2,860 | 7. Miles Distribution - Underground | 2.00 | 2.00 |
| 4. Idle Services (Exclude Seasonal) | 312 | 403 | 8. Total Miles Energized (5 + 6 + 7) | 436.00 | 431.00 |

| | | | |
|--|-----------|---|------------|
| USDA-RUS | | BORROWER DESIGNATION | |
| FINANCIAL AND STATISTICAL REPORT | | AZ0023 | |
| | | PERIOD ENDED | |
| INSTRUCTIONS-See RUS Bulletin 1717B-2 | | 12/2001 | |
| Part C. Balance Sheet | | | |
| ASSETS AND OTHER DEBITS | | LIABILITIES AND OTHER CREDITS | |
| 1 Total Utility Plant in Service | 6,359,777 | 29 Memberships | 0 |
| 2 Construction Work in Progress | 35,252 | 30 Patronage Capital | 7,262,376 |
| 3 Total Utility Plant (1 + 2) | 6,395,029 | 31 Operating Margins - Prior Years | (253,883) |
| 4 Accum. Provision for Depreciation and Amort. | 3,264,391 | 32 Operating Margins - Current Year | (442,160) |
| 5 Net Utility Plant (3 - 4) | 3,130,638 | 33 Non-Operating Margins | 276,267 |
| 6 Non-Utility Property (Net) | 22,728 | 34 Other Margins and Equities | 57,676 |
| 7 Investments in Subsidiary Companies | 0 | 35 Total Margins & Equities (29 thru 34) | 6,900,276 |
| 8 Invest. in Assoc. Org. - Patronage Capital | 60,172 | 36 Long-Term Debt - RUS (Net) | 57,862 |
| 9 Invest. in Assoc. Org. - Other - General Funds | 168,002 | (Payments - Unapplied) | 0 |
| 10 Invest. in Assoc. Org. - Other - Nongeneral Funds | 0 | 37 Long-Term Debt - RUS - Econ. Devel. (Net) | 0 |
| 11 Investments in Economic Development Projects | 0 | 38 Long-Term Debt - FFB - RUS Guaranteed | 0 |
| 12 Other Investments | 19,824 | 39 Long-Term Debt - Other - RUS Guaranteed | 0 |
| 13 Special Funds | 210,406 | 40 Long-Term Debt Other (Net) | 27,021 |
| 14 Total Other Property & Investments (6 thru 13) | 481,132 | 41 Total Long-Term Debt (36 thru 40) | 84,883 |
| 15 Cash - General Funds | 307,452 | 42 Obligations Under Capital Leases - Noncurrent | 0 |
| 16 Cash - Construction Funds - Trustee | 0 | 43 Accumulated Operating Provisions | 0 |
| 17 Special Deposits | 1,502 | 44 Total Other Noncurrent Liabilities (42 + 43) | 0 |
| 18 Temporary Investments | 2,243,936 | 45 Notes Payable | 0 |
| 19 Notes Receivable (Net) | 0 | 46 Accounts Payable | 104,111 |
| 20 Accounts Receivable - Sales of Energy (Net) | 164,286 | 47 Consumers Deposits | 30,360 |
| 21 Accounts Receivable - Other (Net) | 654,412 | 48 Current Maturities Long-Term Debt | 0 |
| 22 Materials and Supplies - Electric & Other | 142,298 | 49 Current Maturities Long-Term Debt-Economic Development | 0 |
| 23 Prepayments | 51,764 | 50 Current Maturities Capital Leases | 0 |
| 24 Other Current and Accrued Assets | 8,425 | 51 Other Current and Accrued Liabilities | 109,621 |
| 25 Total Current and Accrued Assets (15 thru 24) | 3,574,075 | 52 Total Current & Accrued Liabilities (45 thru 51) | 244,092 |
| 26 Regulatory Assets | 0 | 53 Regulatory Liabilities | 0 |
| 27 Other Deferred Debits | 50,607 | 54 Other Deferred Credits | 7,201 |
| 28 Total Assets and Other Debits (5+14+25 thru 27) | 7,236,452 | 55 Total Liabilities and Other Credits (35+ 41 + 44 + 52 thru 54) | 7,236,452 |

| | | | |
|--|--|-------------|---------------|
| Name of Borrower | | Report Year | Report Period |
| DUNCAN VALLEY ELEC COOP INC (AZ0023) | | 2001 | 12 |
| Part D. Notes to Financial Statements | | | |

[illegible]

INSTRUCTIONS-See RUS Bulletin 1717B-2

Part G. Service Interruptions

| ITEM | Avg. Hours per Consumer by Cause | Avg. Hours per Consumer by Cause | Avg. Hours per Consumer by Cause | Avg. Hours per Consumer by Cause | TOTAL |
|----------------------|--|--|--|--|-------|
| | Power Supplier (a) | Extreme Storm (b) | Prearranged (c) | All Other (d) | (e) |
| 1. Present Year | 0.31 | 1.06 | 0.14 | 0.75 | 2.26 |
| 2. Five-Year Average | 1.93 | 2.06 | 0.45 | 0.91 | 5.35 |

USDA-RUS
FINANCIAL AND STATISTICAL REPORT

BORROWER DESIGNATION

AZ0023

PERIOD ENDED

12/2001

INSTRUCTIONS-See RUS Bulletin 1717B-2

Part H. Employee-Hour and Payroll Statistics

| | Amount |
|---|---------|
| 1. Number of Full Time Employees | 16 |
| 2. Employee - Hours Worked - Regular Time | 19,155 |
| 3. Employee - Hours Worked - Overtime | 526 |
| 4. Payroll - Expensed | 376,722 |
| 5. Payroll - Capitalized | 32,117 |
| 6. Payroll - Other | 0 |

| | | | |
|---------------------------------------|---|----------------------|-------------------|
| USDA-RUS | | BORROWER DESIGNATION | |
| FINANCIAL AND STATISTICAL REPORT | | AZ0023 | |
| | | PERIOD ENDED | |
| INSTRUCTIONS-See RUS Bulletin 1717B-2 | | 12/2001 | |
| Part I. Patronage Capital | | | |
| ITEM | DESCRIPTION | This Year (a) | Cumulative (b) |
| 1. Capital Credits Distributions | a. General Retirements | 0 | 4,057,227 |
| | b. Special Retirements | 0 | 0 |
| | c. Total Retirements (a + b) | 0 | 4,057,227 |
| 2. Capital Credits Received | a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power | 53,108 | |
| | b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System | 1,637 | |
| | c. Total Cash Received (a + b) | 54,745 | |

| | | | |
|---|--|----------------------|--------|
| USDA-RUS | | BORROWER DESIGNATION | |
| FINANCIAL AND STATISTICAL REPORT | | AZ0023 | |
| | | PERIOD ENDED | |
| INSTRUCTIONS-See RUS Bulletin 1717B-2 | | 12/2001 | |
| Part J. Due From Consumers for Electric Service | | | |
| | | | Amount |
| 1. AMOUNT DUE OVER 60 DAYS | | | 1,231 |
| 2. AMOUNT WRITTEN OFF DURING YEAR | | | 6,684 |
| | | | |

| | |
|---|--|
| USDA-RUS FINANCIAL AND STATISTICAL REPORT | BORROWER DESIGNATION <div style="text-align: center;">AZ0023</div> <hr/> PERIOD ENDED <div style="text-align: center;">12/2001</div> |
| INSTRUCTIONS-See RUS Bulletin 1717B-2 | |

| Part K. kWh Purchased and Total Cost | | | | | | | |
|--------------------------------------|--|---|--------------------------|-----------------------|---|---|---|
| Line No. | ITEM (a) | RUS Use Only Supplier Code (b) | kWh Purchased (c) | Total Cost (d) | Average Cost (Cents/kWh) (e) | Included in Total Cost Fuel Cost Adjustment (f) | Included in Total Cost Wheeling and Other Charges (or credits) (g) |
| 1 | Arizona Electric Pwr Coop, Inc (AZ0028) | 796 | 24,935,580 | 1,277,029 | 5.12 | 0 | 0 |
| 2 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 3 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 4 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 5 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 6 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 7 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 8 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 9 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 10 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 11 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 12 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 13 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 14 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 15 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 16 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 17 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 18 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 19 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 20 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| Total | | | 24,935,580 | 1,277,029 | 5.12 | 0 | 0 |

| | |
|---|--------------------------------|
| USDA-RUS FINANCIAL AND STATISTICAL REPORT | BORROWER DESIGNATION AZ0023 |
| | PERIOD ENDED 12/2001 |
| INSTRUCTIONS-See RUS Bulletin I717B-2 | |

| Part L. Long Term Leases | | |
|-------------------------------|-------------------------|----------------------------|
| Name of Lessor (a) | Type of Property (b) | Rental This Year (c) |
| ARIZONA STATE LAND DEPARTMENT | RIGHTS OF WAY | 3,998 |
| | | 0 |
| | | 0 |
| | | 0 |
| | | 0 |
| | | 0 |
| | | 0 |
| | | 0 |
| | | 0 |
| | | 0 |
| | | 0 |
| | | 0 |
| | | 0 |
| | | 0 |
| | | 0 |
| | | 0 |
| | | 0 |
| | | 0 |
| | | 0 |
| | | 0 |
| | | 0 |
| Total | | 3,998 |

| | |
|---|---|
| USDA-RUS FINANCIAL AND STATISTICAL REPORT | BORROWER DESIGNATION AZ0023 |
| | PERIOD ENDED 12/2001 |
| INSTRUCTIONS-See RUS Bulletin 1717B-2 | |

Part M. Annual Meeting and Board Data

| | | | |
|---|---|--|---|
| 1. Date of Last Annual Meeting 04/06/2001 | 2. Total Number of Members <div align="right">1,631</div> | 3. Number of Members Present at Meeting <div align="right">70</div> | 4. Was Quorum Present (Y/N) ? Y |
| 5. Number of Members Voting by Proxy or Mail <div align="right">225</div> | 6. Total Number of Board Members <div align="right">8</div> | 7. Total Amount of Fees and Expenses for Board Members <div align="right">35,699</div> | 8. Does Manager Have Written Contract (Y/N) ? N |

| | | |
|---|----------------------|--|
| USDA-RUS FINANCIAL AND STATISTICAL REPORT | BORROWER DESIGNATION | |
| | AZ0023 | |
| | PERIOD ENDED | |
| INSTRUCTIONS-See RUS Bulletin 1717B-2 | 12/2001 | |

Part N. Long-Term Debt and Debt Service Requirements

| ITEM | Balance End of Year | Billed This Year | Billed This Year | Billed This Year |
|---|------------------------|---------------------|---------------------|---------------------|
| | (a) | Interest (b) | Principal (c) | Total (d) |
| Rural Utilities Service (Excludes RUS - Economic Development Loans) | 57,862 | 3,035 | 8,897 | 11,932.00 |
| National Rural Utilities Cooperative Finance Corporation | 27,021 | 2,014 | 2,770 | 4,784.00 |
| Bank for Cooperatives | 0 | 0 | 0 | 0.00 |
| Federal Financing Bank | 0 | 0 | 0 | 0.00 |
| RUS - Economic Development Loans | 0 | 0 | 0 | 0.00 |
| Other (List Separately) | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| TOTAL | 84,883 | 5,049 | 11,667 | 16,716.00 |

| | |
|---|---------------------------------------|
| USDA-RUS FINANCIAL AND STATISTICAL REPORT | BORROWER DESIGNATION AZ0023 |
| INSTRUCTIONS-See RUS Bulletin I717B-2 | PERIOD ENDED 12/2001 |

Part O. Power Requirements Data Base - Annual Summary

| CLASSIFICATION | Consumer Sales & Revenue Data | December (a) | Average No. Consumers Served (b) | Total Year to Date (c) |
|--|-------------------------------|-----------------|--|------------------------------|
| 1. Residential Sales (excluding seasonal) | a. No. Consumers Served | 2,138 | 2,160 | |
| | b. kWh Sold | | | 14,819,662 |
| | c. Revenue | | | 1,252,970 |
| 2. Residential Sales - Seasonal | a. No. Consumers Served | 0 | 0 | |
| | b. kWh Sold | | | 0 |
| | c. Revenue | | | 0 |
| 3. Irrigation Sales | a. No. Consumers Served | 74 | 80 | |
| | b. kWh Sold | | | 2,042,033 |
| | c. Revenue | | | 162,095 |
| 4. Comm. and Ind. 1000 KVA or Less | a. No. Consumers Served | 243 | 242 | |
| | b. kWh Sold | | | 5,459,295 |
| | c. Revenue | | | 385,194 |
| 5. Comm. and Ind. Over 1000 KVA | a. No. Consumers Served | 0 | 0 | |
| | b. kWh Sold | | | 0 |
| | c. Revenue | | | 0 |
| 6. Public Street & Highway Lighting | a. No. Consumers Served | 2 | 2 | |
| | b. kWh Sold | | | 113,160 |
| | c. Revenue | | | 8,478 |
| 7. Other Sales to Public Authorities | a. No. Consumers Served | 0 | 0 | |
| | b. kWh Sold | | | 0 |
| | c. Revenue | | | 0 |
| 8. Sales for Resales - RUS Borrowers | a. No. Consumers Served | 0 | 0 | |
| | b. kWh Sold | | | 0 |
| | c. Revenue | | | 0 |
| 9. Sales for Resale - Other | a. No. Consumers Served | 0 | 0 | |
| | b. kWh Sold | | | 0 |
| | c. Revenue | | | 0 |
| 10. TOTAL No. of Consumers (lines 1a thru 9a) | | 2,457 | 2,484 | |
| 11. TOTAL kWh Sold (lines 1b thru 9b) | | | | 22,434,150 |
| 12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c) | | | | 1,808,737 |
| 13. Other Electric Revenue | | | | 2,759 |
| 14. kWh - Own Use | | | | 120,683 |
| 15. TOTAL kWh Purchased | | | | 24,935,580 |
| 16. TOTAL kWh Generated | | | | 0 |
| 17. Cost of Purchases and Generation | | | | 1,277,029 |
| 18. Interchange - kWh - Net | | | | 0 |
| 19. Peak - Sum All kW Input (Metered) | | | | 5,160 |

Non-coincident _____ Coincident X

| USDA-RUS FINANCIAL AND STATISTICAL REPORT | | BORROWER DESIGNATION AZ0023 | | | |
|--|--|--------------------------------|----------------------|----------------------------|-----------------------|
| INSTRUCTIONS-See RUS Bulletin 1717B-2 | | PERIOD ENDED 12/2001 | | | |
| 7a - Part I. Investments | | | | | |
| Line No. | Description (a) | Included (\$) (b) | Excluded (\$) (c) | Income or Loss (\$) (d) | Rural Development (e) |
| 1. NON-UTILITY PROPERTY (NET) | | | | | |
| 1 | Land | 22,728 | 0 | | |
| Total: 1. NON-UTILITY PROPERTY (NET) | | 22,728 | 0 | | |
| 4. OTHER INVESTMENTS | | | | | |
| 2 | Federated Rural Insurance Exchange | 19,824 | 0 | 0 | |
| Total: 4. OTHER INVESTMENTS | | 19,824 | 0 | 0 | |
| 9. ACCOUNTS & NOTES RECEIVABLE - NET | | | | | |
| 3 | Misc Accounts Receivable | 1,997 | 0 | 0 | |
| 4 | Duncan Rural Services | 480,785 | 0 | 0 | |
| 5 | Southern Greenlee County TV Association | 32,817 | 0 | 0 | |
| 6 | Aznex Cooperative Services | 138,813 | 0 | 0 | |
| Total: 9. ACCOUNTS & NOTES RECEIVABLE - NET | | 654,412 | 0 | 0 | |
| 7. SPECIAL DEPOSITS | | | | | |
| 7 | State Compensation Fund | 1,502 | 0 | | |
| Total: 7. SPECIAL DEPOSITS | | 1,502 | 0 | | |
| 6. CASH - GENERAL | | | | | |
| 8 | The Stockmens Bank | 307,452 | 0 | | |
| Total: 6. CASH - GENERAL | | 307,452 | 0 | | |
| 8. TEMPORARY INVESTMENTS | | | | | |
| 9 | Arizona Electric Power Co-op | 1,800,000 | 0 | | |
| 10 | Homestead Funds | 344,404 | 0 | | |
| 11 | Franklin Trust | 99,532 | 0 | | |
| Total: 8. TEMPORARY INVESTMENTS | | 2,243,936 | 0 | | |
| 5. SPECIAL FUNDS | | | | | |
| 12 | Duncan Rural Services | 230,591 | 0 | | |
| 13 | Member Loans | 99,279 | 0 | | |
| 14 | Uncollectable Loan Reserve | -119,464 | 0 | | |
| Total: 5. SPECIAL FUNDS | | 210,406 | 0 | | |
| 2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS | | | | | |
| 15 | Membership - Arizona Electric Power Co-o | 5 | 0 | 0 | |
| 16 | Membership - Southwest Transmission Co-o | 100 | 0 | 0 | |
| 17 | Membership - Seira Southwest Electric C | 100 | 0 | 0 | |
| 18 | Membership - Grand Canyon State Electric | 150 | 0 | 0 | |
| 19 | Membership - NRTC | 1,000 | 0 | 0 | |
| 20 | Membership - NRUCFC | 0 | 1,000 | 0 | |
| 21 | Membership - Duncan Rural Services Corp | 5,000 | 0 | 0 | |
| 22 | Patronage Capital - Arizona Electric Pow | 0 | 93,791 | 0 | |
| 23 | Patronage Capital - NRUCFC | 0 | 1,637 | 0 | |
| 24 | Capital Term Certificates - NRUCFC | 0 | 160,647 | 0 | |
| 25 | Stock - Aznex Cooperative Services | -35,255 | 0 | 0 | |
| 26 | | 0 | 0 | 0 | |

| | |
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| USDA-RUS FINANCIAL AND STATISTICAL REPORT | BORROWER DESIGNATION AZ0023 PERIOD ENDED 12/2001 |
| INSTRUCTIONS-See RUS Bulletin 1717B-2 | |

| Line No. | Description (a) | Included (\$) (b) | Excluded (\$) (c) | Income or Loss (\$) (d) | Rural Development (e) |
|------------------|--|----------------------|----------------------|----------------------------|-----------------------|
| Total: 2. | INVESTMENTS IN ASSOCIATED ORGANIZATIONS | -28,900 | 257,075 | 0 | |
| 27 | | | | | |
| 28 | | | | | |
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|------------------------------|------------------|----------------|----------|--|
| 11. TOTAL INVESTMENTS | 3,431,360 | 257,075 | 0 | |
|------------------------------|------------------|----------------|----------|--|

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7a - Part II. Loan Guarantees/Part III. Ratio

| Line No. | Organization (a) | Maturity date (b) | Original Amount (\$) (c) | Loan Balance (\$) (d) | Rural Development (e) |
|---------------------------------------|------------------|-------------------|--------------------------|-----------------------|-----------------------|
| 1 | | | 0 | 0 | |
| 2 | | | 0 | 0 | |
| 3 | | | 0 | 0 | |
| 4 | | | 0 | 0 | |
| 5 | | | 0 | 0 | |
| 6 | | | 0 | 0 | |
| 7 | | | 0 | 0 | |
| 8 | | | 0 | 0 | |
| 9 | | | 0 | 0 | |
| 10 | | | 0 | 0 | |
| TOTALS | | | 0 | 0 | |
| TOTAL (included Loan Guarantees only) | | | 0 | 0 | |

Ratio of Investments and Loan Guarantees to Utility Plant [Total of included Investments (Part I, 11b) and Loan Guarantees - Loan Balance (Part II, 5d) to Total Utility Plant (Form 7, Part C, Line 3)]

53.6 %

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7a - Part IV. Loans

| Line No. | Organization (a) | Maturity date (b) | Original Amount (\$) (c) | Loan Balance (\$) (d) | Rural Development (e) |
|----------|------------------------------------|-------------------|--------------------------|-----------------------|-----------------------|
| 1 | Employees, Officers, Directors | | 0 | 0 | |
| 2 | Energy Resource Conservation Loans | | 541,095 | 99,279 | |
| 3 | Duncan Rural Services | 06/30/2014 | 154,605 | 91,222 | |
| 4 | Duncan Rural Services | 12/31/2030 | 156,000 | 139,369 | |
| 5 | | | 0 | 0 | |
| 6 | | | 0 | 0 | |
| 7 | | | 0 | 0 | |
| 8 | | | 0 | 0 | |
| 9 | | | 0 | 0 | |
| 10 | | | 0 | 0 | |
| 11 | | | 0 | 0 | |
| 12 | | | 0 | 0 | |
| 13 | | | 0 | 0 | |
| 14 | | | 0 | 0 | |
| 15 | | | 0 | 0 | |
| TOTALS | | | 851,700 | 329,870 | |